

MINUTES

MONTANA SENATE 57th LEGISLATURE - REGULAR SESSION FREE CONFERENCE COMMITTEE ON HOUSE BILL 41

Call to Order: By **CHAIRMAN BOB KEENAN**, on April 18, 2001 at 5:15 P.M., in Room 317-C Capitol.

ROLL CALL

Members Present:

Sen. Bob Keenan, Chairman (R)
Rep. John Witt, Chairman (R)
Sen. Greg Jergeson (D)
Sen. Ken Miller (R)
Rep. Joe Tropila (D)
Rep. Steve Vick (R)

Members Excused: None.

Members Absent: None.

Staff Present: Melissa Rasmussen, Committee Secretary
Roger Lloyd, Legislative Branch

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary: HB 41

Discussion:

Clayton Schenck, Legislative Fiscal Division, informed the committee that the bill began as a biennium bill, but over time became an earmarking bill. He stated the earmarking has to do with issue in SB 495 as well. The bill raises the issue of a biennium review by the Finance Committee. He argued the bill has created some difficult accounting. There has been some confusion by the legislature.

Roger Lloyd handed out amendment **HB004103.ar1**

EXHIBIT (frs87hb0041a01) which would eliminate the duty of the Finance Committee to conduct biennial review of dedicated revenue provisions and statutory appropriations.

CHAIRMAN BOB KEENAN declared the bill once was **SEN. LORENTS GROSFIELD's** and he approved of the changes.

SEN. GREG JERGESON told the committee that the review committee has run its course.

Motion: Sen Jergeson moved **AMENDMENTS HB004103.ARL BE ADOPTED**

Discussion:

REP. STEVE VICK expressed his concerns for eliminating the review all together. He thought it would be good to have the review at least every ten years, especially with term limits.

REP. JOHN WITT asked if there would be a review of some type of basis.

Mr. Schenck told him there is a criteria to base the review upon. There would be a staff who still wants to review programs and accounts.

Vote: motion carried 6-0

Mr. Lloyd handed out a copy of SB 495 **EXHIBIT(frs87hb0041a02)**. He stated that the amendment deals with the timber sales. All of the timber sales on the school trusts are being earmarked out of the general fund and being placed into a state special fund, except for the state special revenue. He proclaimed amendment **HB004103.aem EXHIBIT(frs87hb0041a03)** would get rid of the new SEA account because SB 495 already creates another SEA account. However, it is retaining the earmarking and the statutory appropriating of the timber sale revenue for technology.

SEN. KEN MILLER declared that HB 41 ended up the way it was because of a lawsuit regarding the trust lands. He questioned if the new amendments were moving away from that original purpose.

Mr. Lloyd declared that SB 495 takes care of the lawsuit.

Motion: **SEN. JERGESON** moved that **AMENDMENT HB004103.AEM BE ADOPTED.**

Discussion:

REP. JOE TROPILA asked if someone could respond to the amendment.

Kathy Fabiano, Office of Public Instruction, stated that the amendment looked fine. She asked if the amendment made it clear that the money would go into the new sub-fund.

Mr. Lloyd said it is not that clear. It does say general fund. The next amendment will make it clear that the money does go to the sub-fund.

Ms Fabiano charged that it should say specifically that it goes into the sub-fund.

REP. WITT agreed with the suggestion. He stated that earlier discussion had used that same terminology.

Mr. Schenck stated that the next amendment refers to that.

REP. VICK asked if the account was something new.

CHAIRMAN KEENAN offered it was a sub-account within the general fund.

REP. WITT added if the money was put into a separate fund and it ran out of money, you could not dip back into the general fund.

Terry Johnson, Legislative Fiscal Division, argued that the purpose is to get away from crossing fund types. Within the general fund they would segregate and isolate the INI income. It will become a sub-fund within the general fund. He stated appropriations would be distributed by type and not account.

REP. VICK asked if that had ever been done before. **Mr. Johnson** told him it was done several years ago. **REP. VICK** inquired if it would affect how money is appropriated. **Mr. Johnson** said not really. It would make the appropriation process cleaner

Vote: motion carried 6-0

Mr. Lloyd handed out amendment **HB0004101.aem**

EXHIBIT (frs87hb0041a04). He explained that the amendment offered coordinating language with SB 495. He declared that it offered new definitions and changed state special to a sub-fund.

Motion/Vote: **SEN. MILLER** moved that **AMENDMENT HB0004101.AEM BE ADOPTED** motion carried 6-0.

Motion: **SEN. JERGESON** moved that **HB 41 DO PASS AS AMENDED**

Discussion:

REP. VICK questioned why the earmarked accounts were stricken.

SEN. JERGESON declared that mine reclamation was taken care of in another bill.

(There is a long pause on the tape while the committee tries to find the answer to the question)

REP. VICK stated he would not like to conflict with other bills.

SEN. JERGESON pointed out the language on page 3, line 26 that deals with mine reclamation.

REP. VICK stated his intent is to de-earmark the language that was stricken on page 3, line 26 - page 5, line 9.

Substitute Motion: **REP. VICK** moved to **UNSTRIKE THE STRICKEN LANGUAGE ON PAGE 3, LINE 26 THROUGH PAGE 5, LINE 9.**

DISCUSSION:

SEN. JOHN TESTER, SD 45, Big Sandy, informed the committee that the Hard Rock Mining was put into a state special account.

{Tape : 2; Side : B}

REP. VICK asked if the fees, fines and penalties would still go into the state special account. **SEN. TESTER** replied yes.

CHAIRMAN KEENAN clarified if **REP. VICK** would like to reinsert page 3, line 26 - page 4, and stop right above the Hard Rock Mining.

REP. VICK stated that would be fine.

VOTE: motion carried 6-0

CHAIRMAN KEENAN questioned if the committee needed to do anything to move money into the flex account. **Jim Standaent** told him they have not.

SEN. BILL GLASER, SD 8, Huntley, stated that the schools need money that they can use now to fulfill their needs. He had requested an amendment to give each student \$18. He did not know where the amendment was. He argued that he did not want to limit the fund solely to technology.

Mr. Schenck stated there were problems with the amendment. He told the committee they could do a conceptual amendment if they desired.

Substitute Motion: **SEN. KEENAN** moved a conceptual amendment to **ELIMINATE THE TECHNOLOGY ACQUISITION FUND AND MOVE THE MONEY INTO THE FLEX FUND.**

Discussion:

SEN. MILLER proclaimed that districts appreciate the technology fund. There has already been money put into the flex fund.

SEN. JERGESON stated that the flex fund is funded on a one time basis. He stated the development of the technology program stood on its own. He questioned complicating the system so late in the session.

CHAIRMAN KEENAN stated that moving the money into a flex fund allows them to use the money for whatever need they have.

Lance Milton, MT School Boards, argued that it would expand the fund too much. There is a specific schedule for the technology fund.

CHAIRMAN KEENAN asked if eliminating the language would still have the fund along with the depreciation. **Mr. Milton** told him the fund would remain in tack, and funded by the passage of a levy. It would have to coordinate with other bills.

CHAIRMAN KEENAN withdrew his motion.

Mr. Lloyd stated that section two was missed in the amendments. Page 6, section 2 need to refer to the sub-fund.

Substitute Motion/Vote: **SEN. KEENAN** moved a conceptual amendment to **ADD SUB-FUND LANGUAGE ON PAGE 6, SECTION 2** motion **carried 6-0.**

Mr. Lloyd stated that amendment **HB004101.aem** need to list the reference accounts in order to make it really clear.

REP. VICK asked if the bill needed to be renumbered. **SEN. JERGESON** told him that was an editing automatic.

Vote: motion carried 6-0

ADJOURNMENT

Adjournment: 5:55 P.M.

SEN. BOB KEENAN, Chairman

MELISSA RASMUSSEN, Secretary

JW/BK/MR

EXHIBIT (frs87hb0041aad)